A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD

The Conference Board

R4105-6

MARCH, 1986

SUMMARY

The industrial world is still firmly on the economic upgrade, but there is now more diversity among individual countries than has been seen in some time. The most noticeable weakness is in Japan, where both the leading and performance indexes continue to show that economic expansion has basically stopped. The leading index has moved down since May, and the performance index has leveled off. Growth rates in both Japanese indexes since August have been substantially below the 5 percent long-term trend rate, thereby complying with the usual definition of a growth recession.

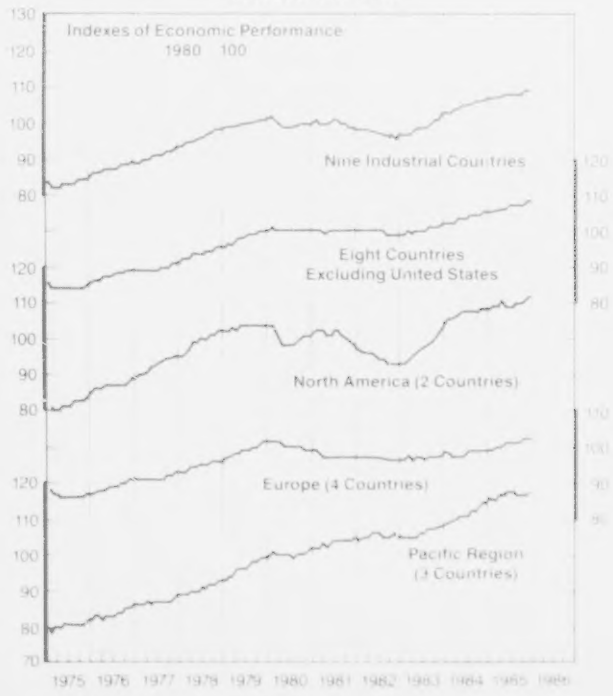
Elsewhere in the Pacific region we now see a much slower advance in Australia's leading index, although the gain in its performance index continues to outdistance the other eight countries. In Taiwan, R.O.C., revival from the earlier slump is proceeding smartly.

The European scene also is mixed, with moderate strength in West Germany and France but sluggishness in the United Kingdom and Italy, although Italy's leading index suggests better times ahead. Canada's indicators show that its vigorous expansion is continuing. The U.S. expansion also is continuing, but its vigor has yet to reach the standard being set by Wall Street.

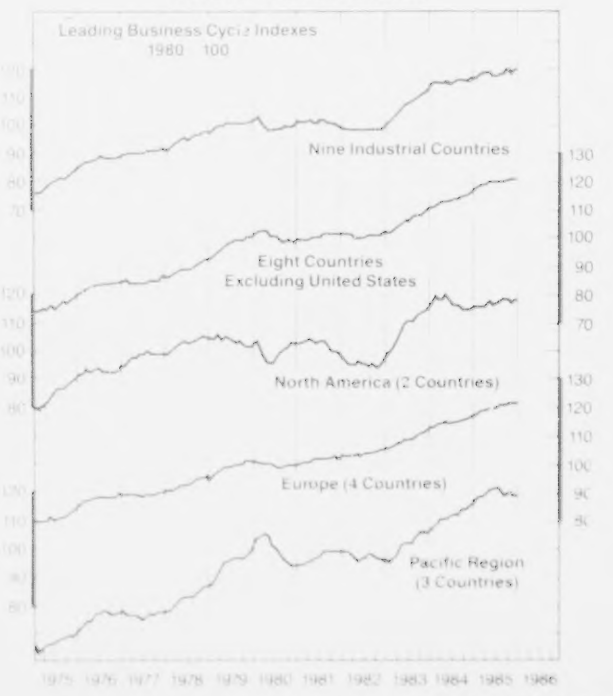
	Ten-year Growth Rate 1969-79	*Indexes of Economic Performance Growth Rates**			*Leading Business Cycle Indexes Growth Rates**			*Current Heading on the Cycle*	*Latest Month Covered*
		6 mos. ago	*3 mos. ago*	*Latest month*	*6 mos. ago*	*3 mos. ago*	*Latest month*		
	annual rates, percent								
9 countries	4	3	3	3	4	4	2	Expansion continuing	Dec.
8 countries ex. U.S.	4	3	3	2	7	4	3	Expansion continuing	Dec.
North America (2)	3	2	3	4	0	4	2	Expansion continuing	Dec.
Europe (4)	3	3	3	2	6	5	4	Expansion continuing	Dec.
Pacific Region (3)	5	4	3	2	8	2	–1	Expansion stalling	Dec.
United States	3	2	2	4	1	2	1	Expansion continuing	Jan.
Canada	4	5	5	5	5	7	7	Expansion continuing	Dec.
West Germany	3	4	5	3	6	6	3	Expansion continuing	Dec.
France	4	1	3	4	7	5	4	Expansion continuing	Dec.
United Kingdom	2	3	1	0	2	1	2	Expansion stalling	Dec.
Italy	3	1	3	0	8	8	8	Expansion stalling, leaders strong	Oct./Dec.
Japan	5	4	2	2	8	1	–1	Expansion stalling	Dec.
Australia	4	6	10	8	13	12	4	Expansion continuing	Dec.
Taiwan, R.O.C.	10	–1	2	4	6	10	9	Expansion reviving	Jan.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

Where We Are


Indexes of Economic Performance
1980 = 100
Nine Industrial Countries
Eight Countries Excluding United States
North America (2 Countries)
Europe (4 Countries)
Pacific Region (3 Countries)
1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986

Where We're Headed

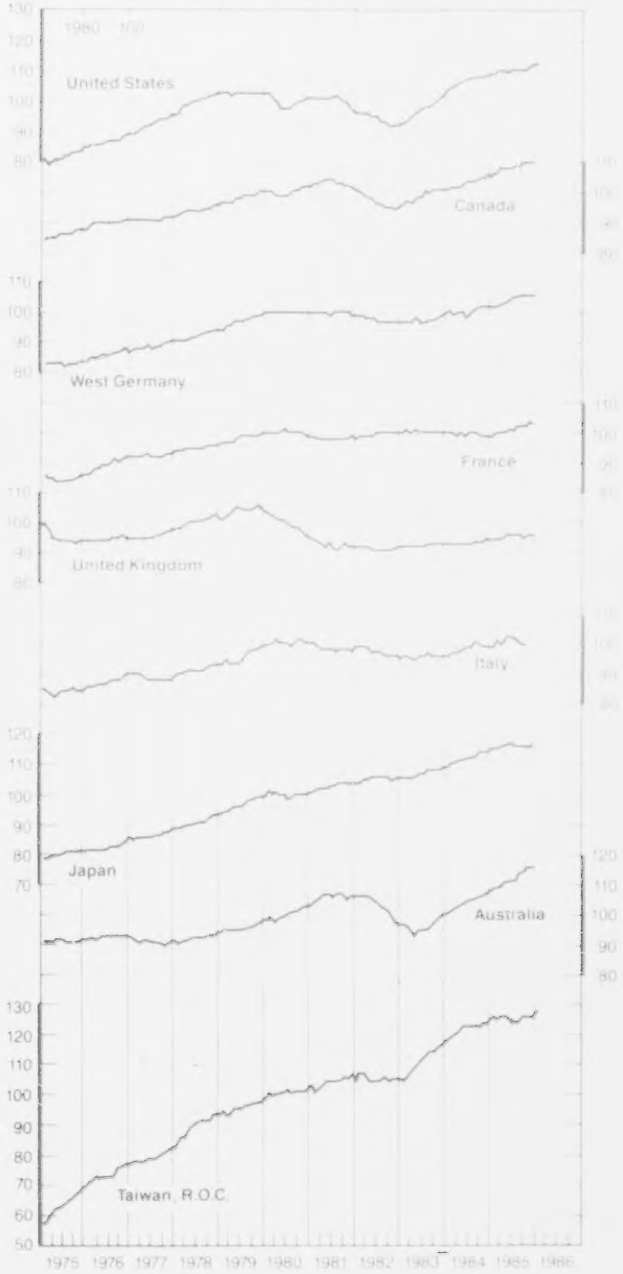

Leading Business Cycle Indexes
1980 = 100
Nine Industrial Countries
Eight Countries Excluding United States
North America (2 Countries)
Europe (4 Countries)
Pacific Region (3 Countries)
1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986

© 1986 The Conference Board, Inc.

70th Anniversary

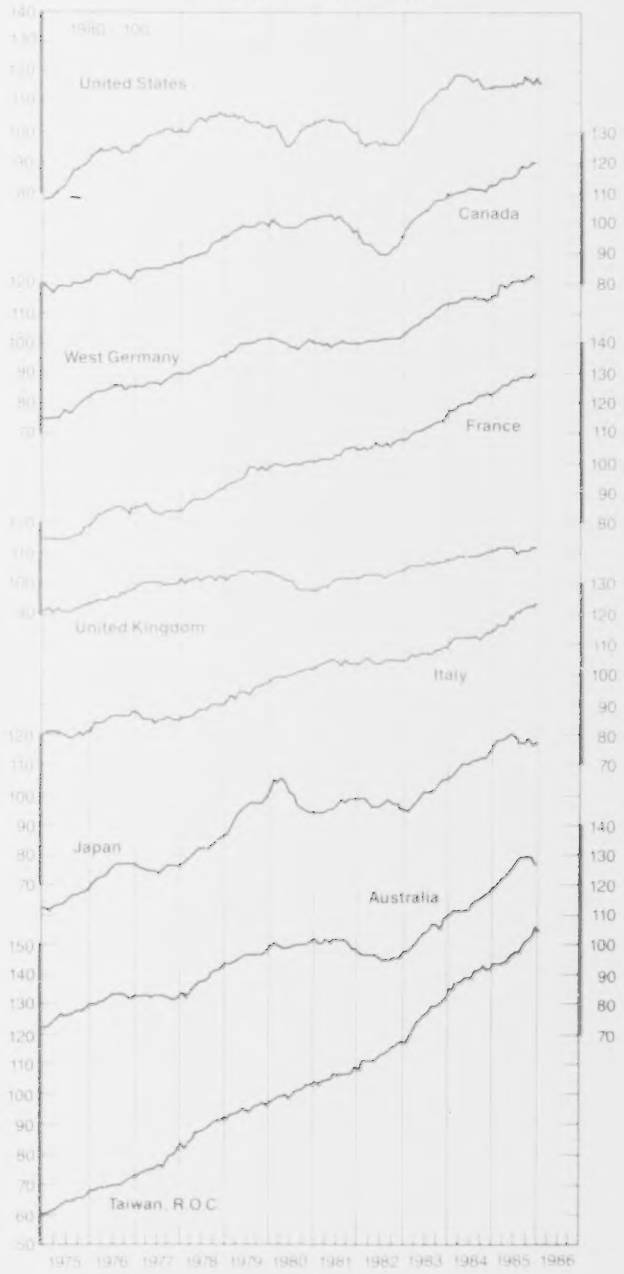
Where We Are

Indexes of Economic Performance



Where We're Headed

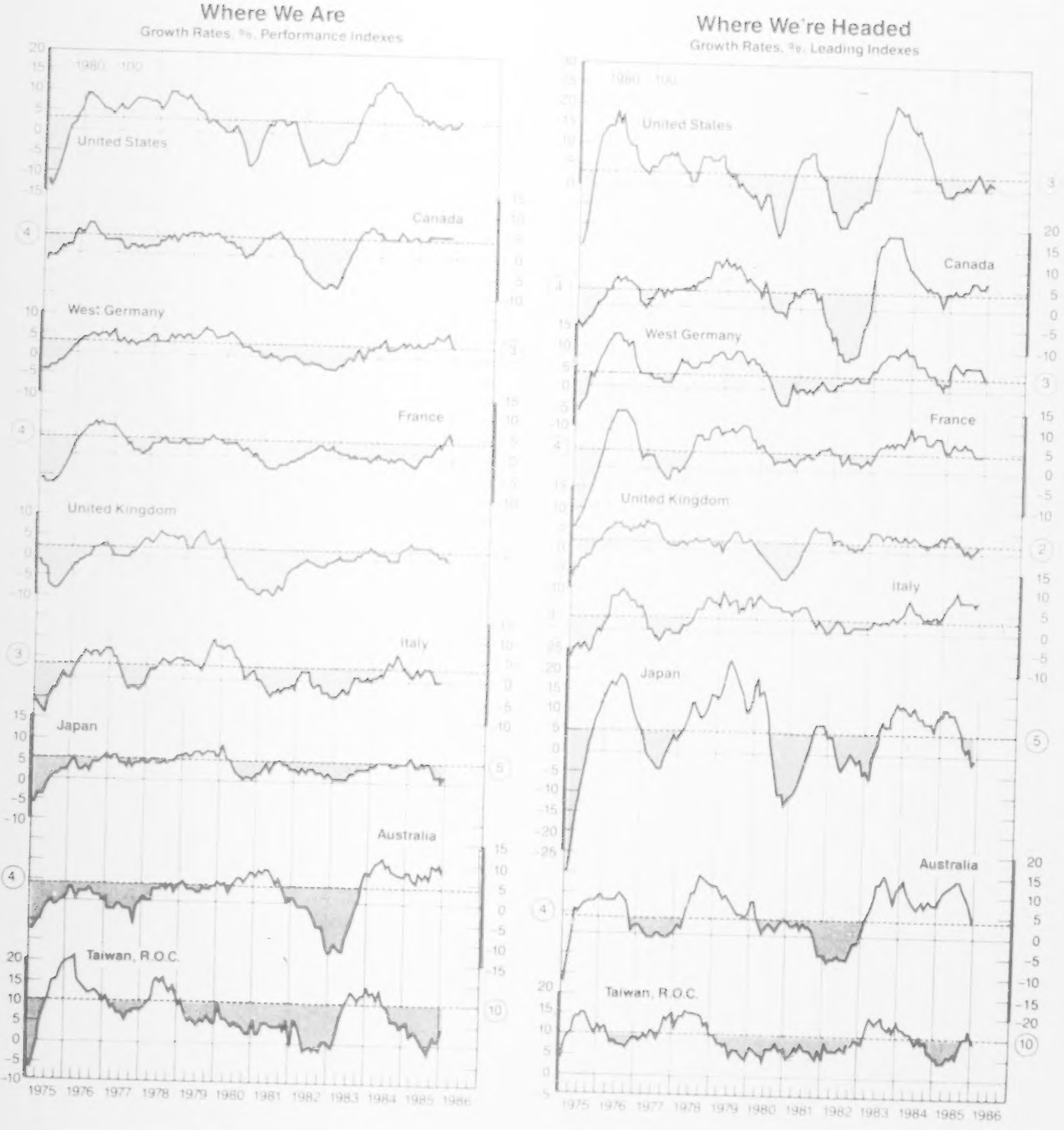
Leading Business Cycle Indexes



Sources: CIBCR and The Conference Board

To readers of International Economic Scoreboard:

The tables in the February 1986 issue contained two printing errors. On the first page, the table headings were switched, so that the Economic Performance Growth Rates figures were on the right side under the heading for the Leading Business Indexes Growth Rates, and vice-versa on the left side. On the back page, the Indexes and Growth Rates under the heading, UK, are actually those for Italy, and those under Italy are actually those for UK. We sincerely regret any inconvenience this may have caused.



Note: Horizontal dashed are average rates for 1969-79 in the index and for Real GNP.

Sources: CIBCR and The Conference Board

The Conference Board of Canada
255 Smyth Road
Ottawa, Ontario, K1H 8M7 Canada

1985 The Conference Board, Inc.
845 Third Avenue
New York, New York 10022

The Conference Board, Inc.
Avenue Louise, 207 Bte 5
B-1050 Brussels, Belgium

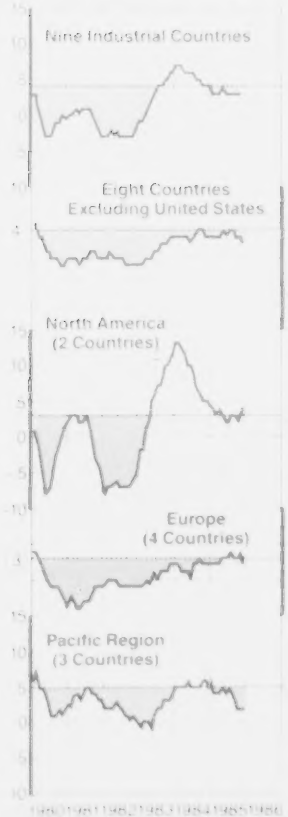
INDEXES, NINE COUNTRIES, 1984-86

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.	
								Indexes, 1980 = 100											
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Dec.	84	109	115	106	113	102	116	99	123	95	111	99	114	114	114	107	118	125	143
Jan.	85	109	116	105	113	102	116	99	124	95	111	99	115	115	116	108	119	126	144
Feb.	85	109	116	106	114	102	119	99	125	95	112	100	116	115	118	109	120	127	144
Mar.	85	109	116	106	115	102	119	100	126	95	112	101	117	115	118	108	122	125	144
Apr.	85	110	116	107	115	103	119	100	127	95	112	100	118	116	119	109	123	126	145
May	85	110	117	108	115	104	120	100	127	96	112	101	120	117	120	111	124	126	146
June	85	109	116	108	116	104	120	100	129	96	112	102	119	116	119	110	126	125	147
July	85	110	117	108	117	105	121	101	129	96	110	102	120	117	119	112	128	125	148
Aug.	85	110	117	109	118	105	121	102	130	96	111	101	121	117	117	112	129	124	148
Sept.	85	110	119	109	118	106	122	102	129	96	111	100	122	116	117	114	129	124	151
Oct.	85	110	118	110	119	106	122	102	129	96	111	100	123	116	118	115	129	126	152
Nov.	85	111	116	110	120	106	123	104	129	96	112		122	116	116	116	129	126	153
Dec.	85	112	118	110	120	106	122	103	130	96	112		124	117	117	116	127	126	156
Jan.	86	112	117															128	155
								Growth Rates, Percent											
Dec.	84	5	2	5	4	-1	2	-2	5	-4	4	2	3	5	9	7	8	4	6
Jan.	85	4	-2	4	4	4	3	-2	5	3	3	1	4	6	10	8	8	5	5
Feb.	85	4	-1	4	5	3	6	-3	5	3	4	2	7	4	11	8	10	6	5
Mar.	85	3	0	5	4	3	*	0	7	3	4	4	7	4	11	6	11	2	4
Apr.	85	4	0	5	4	4	5	1	6	3	3	1	6	4	10	5	12	3	5
May	85	4	1	6	5	4	5	1	6	3	3	3	11	5	10	8	12	2	5
June	85	2	0	5	5	4	6	1	7	3	2	3	8	4	8	6	13	1	5
July	85	2	1	5	6	6	6	3	6	2	0	3	8	5	6	8	14	-1	6
Aug.	85	3	0	5	7	5	6	3	6	2	1	2	9	4	7	6	14	-2	5
Sept.	85	1	4	5	7	5	6	3	5	1	1	0	8	2	1	10	12	-1	8
Oct.	85	2	2	5	6	6	6	5	4	1	0	0	8	2	2	9	10	2	10
Nov.	85	2	0	5	6	5	6	7	4	*	*		7	1	-2	10	8	1	10
Dec.	85	3	2	6	7	3	3	4	4	0	2		8	2	1	8	4	1	12
Jan.	86	4	1															4	9
								Two-Year Annual Growth Rate, Percent											
1969-79		3	3	4	4	3	3	3	4	3	3	2	2	5	5	4	4	10	10

		8 Countries		6 Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
						Indexes, 1980 = 100					
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Dec.	84	106	116	104	116	108	118	99	118	114	116
Jan.	85	106	116	105	117	108	116	99	117	115	117
Feb.	85	107	117	105	118	109	116	99	116	114	119
Mar.	85	107	118	105	119	109	116	100	116	114	119
Apr.	85	107	118	106	119	110	116	100	119	115	120
May	85	108	119	106	120	109	117	100	120	116	121
June	85	108	118	106	120	109	116	100	120	116	121
July	85	108	119	107	120	109	117	101	120	117	121
Aug.	85	108	119	107	120	110	117	101	121	117	120
Sept.	85	108	120	107	120	110	119	101	121	116	119
Oct.	85	108	120	107	121	110	118	102	122	116	120
Nov.	85	109	119	108	121	111	117	102	122	116	119
Dec.	85	109	120	108	121	112	118	102	122	117	119
						Growth Rates, Percent					
Dec.	84	4	2	3	5	5	2	2	3	5	8
Jan.	85	4	3	3	6	4	1	2	4	6	10
Feb.	85	3	4	3	7	4	0	2	5	4	11
Mar.	85	3	4	3	7	3	0	2	6	4	10
Apr.	85	3	4	3	7	4	0	2	5	4	10
May	85	4	5	4	7	3	1	3	6	5	10
June	85	3	4	3	7	2	0	3	6	4	8
July	85	3	4	4	8	2	2	4	5	5	7
Aug.	85	3	4	4	5	3	2	3	5	4	4
Sept.	85	3	4	3	4	3	4	3	5	3	2
Oct.	85	3	3	3	4	2	2	3	4	2	3
Nov.	85	3	2	3	3	3	0	4	4	2	0
Dec.	85	3	2	2	3	4	2	2	4	2	-1
						Two-Year Annual Growth Rate, Percent					
1969-79		4	4	4	4	3	3	3	3	5	5

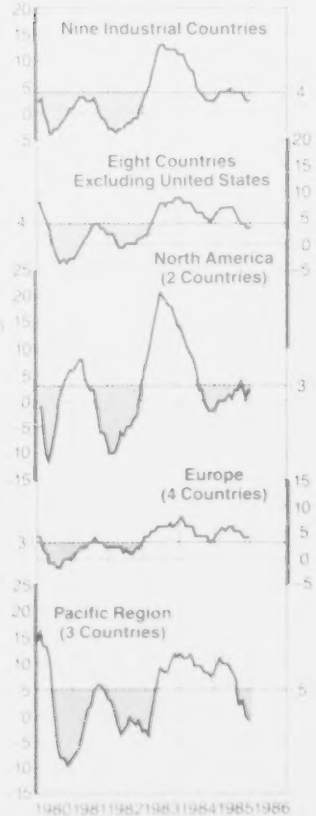
Where We Are

Growth Rates vs. Performing Indexes


Nine Industrial Countries
Eight Countries Excluding United States
North America (2 Countries)
Europe (4 Countries)
Pacific Region (3 Countries)
1980 1981 1982 1983 1984 1985 1986

Where We're Headed

Growth Rates vs. Leading Indexes


Nine Industrial Countries
Eight Countries Excluding United States
North America (2 Countries)
Europe (4 Countries)
Pacific Region (3 Countries)
1980 1981 1982 1983 1984 1985 1986

Note: Horizontal scales are average growth rates for each of the index and in real GNP.

Sources: OECD and The Conference Board